

AMENDED IN SENATE APRIL 29, 2008

AMENDED IN SENATE MARCH 28, 2008

SENATE BILL

No. 1200

Introduced by Senator Ducheny

February 13, 2008

An act to add Section 13985 to the Government Code, relating to Indian tribes, *and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1200, as amended, Ducheny. Indian tribes: economic development.

Existing law seeks to promote the economic self-sufficiency of Indian tribes located in California. *Existing law creates in the State Treasury the Indian Gaming Revenue Sharing Trust Fund and the Indian Gaming Special Distribution Fund for the receipt and deposit of moneys received by the state from certain Indian tribes pursuant to the terms of gaming compacts entered into with the state, and authorizes moneys in those funds to be used for certain purposes.*

This bill would require the Secretary of Business, Transportation and Housing to establish the Native American Business Grant and Revolving Loan Program within the Business, Transportation and Housing Agency for the purpose of funding nongaming business projects for individuals ~~who are members of a nongaming Indian tribe, as defined~~ *that promote long-term economic development for tribes receiving payments from the Indian Gaming Revenue Sharing Trust Fund.* This bill would create the Native American Business Finance Council, consisting of 9 members, who are appointed by, and serve at the pleasure of, the Governor, to review applications for program funding. *The bill would require a tribe applying for program funds to contribute matching funds*

to the proposed project from payments that tribe receives from the Indian Gaming Revenue Sharing Trust Fund. The bill would create the Native American Business Revolving Loan Program Fund, which would be continuously appropriated to the council for the purposes of implementing and administering the program.

The bill would appropriate \$20,000,000 from the Indian Gaming Special Distribution Fund to the Native American Business Finance Council to implement and administer the program.

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 13985 is added to the Government Code,
2 to read:
3 13985. (a) The secretary shall establish the Native American
4 Business Revolving Loan Program within the Business,
5 Transportation and Housing Agency for the purpose of funding
6 nongaming projects for qualified Indian tribes.
7 (b) For purposes of this section, the following definitions shall
8 apply:
9 (1) "Agency" means the Business, Transportation and Housing
10 Agency.
11 (2) "Council" means the Native American Business Finance
12 Council.
13 (3) "Program" means the Native American Business Revolving
14 Loan Program.
15 (4) "Qualified Indian tribe" means a federally recognized tribe
16 located in this state that receives payments from the Indian Gaming
17 Revenue Sharing Trust Fund.
18 (5) "Secretary" means the Secretary of Business, Transportation
19 and Housing.
20 (c) Projects funded by the program shall provide for the general
21 welfare of a qualified Indian tribe and its members by promoting
22 long-term tribal economic development that creates or retains
23 jobs, and provides work skills and business development training
24 and education for members of the tribe.
25 (d) (1) The Native American Business Finance Council consists
26 of nine members, who are appointed by, and serve at the pleasure
27 of, the Governor.

1 (2) *The council shall include six members of federally*
2 *recognized Indian tribes in California, three of whom shall*
3 *represent tribes located in northern California and three of whom*
4 *shall represent tribes located in southern California.*

5 (3) *The council shall include at least three members with*
6 *expertise in tribal government, business finance, or economic*
7 *development related to the purpose of the program.*

8 (4) *A member of the council shall not vote on an application*
9 *from his or her own tribe.*

10 (5) *Five members shall constitute a quorum, and a member*
11 *prohibited from voting under paragraph (4) shall not be included*
12 *in determining whether a quorum exists for a particular*
13 *application.*

14 (e) (1) *The program shall be managed by a program*
15 *coordinator selected by the secretary.*

16 (2) *The program coordinator shall do all of the following:*

17 (A) *Receive, review, and refer eligible applications to the council*
18 *for approval of funding.*

19 (B) *Develop eligibility standards to judge the viability of a*
20 *tribe's application. The eligibility standards shall be approved by*
21 *the council.*

22 (C) *Serve as a liaison between the agency and the community*
23 *of qualified Indian tribes.*

24 (D) *Advise the council to determine the eligibility of projects*
25 *for program funds and the allocation of program funds for eligible*
26 *projects.*

27 (E) *Administer the distribution of funds from the Native*
28 *American Business Revolving Loan Program Fund established in*
29 *subdivision (i).*

30 (f) *A qualified Indian tribe shall not be eligible to apply for*
31 *program funds unless any program funds previously loaned to the*
32 *tribe have been repaid in full.*

33 (g) (1) *A tribe applying for program funds shall submit an*
34 *application to the program coordinator that includes both of the*
35 *following:*

36 (A) *A business plan containing a description of the business,*
37 *including its product or service, management structure, business*
38 *organization, marketing strategy, operations plan, financial*
39 *projections, and source of funds for loan repayment.*

40 (B) *A repayment schedule.*

(2) *In considering applications for program funds, the council shall give priority to qualified Indian tribes that have no existing business enterprise.*

(3) *The council shall not approve a loan unless the following conditions are satisfied:*

(A) *The loan amount is equal to or less than one million one hundred thousand dollars (\$1,100,000).*

(B) *The tribe contributes matching funds to the proposed project in an amount equal to or exceeding the amount of the loan requested. The matching funds shall be provided from payments the tribe receives from the Indian Gaming Revenue Sharing Trust Fund.*

(C) *The tribe will be the majority owner of the proposed project.*

(D) *The secretary has approved the repayment schedule.*

(h) *An application shall be deemed approved only if it is approved by a majority of the members of the council.*

(i) *There is hereby created in the State Treasury the Native American Business Revolving Loan Program Fund. Notwithstanding Section 13340, all moneys in the Native American Business Revolving Loan Program Fund shall be continuously appropriated to the council for the purposes of implementing and administering the program.*

SEC. 2. *There is hereby appropriated the sum of twenty million dollars (\$20,000,000) from the Indian Gaming Special Distribution Fund to the Native American Business Finance Council for deposit in the Native American Business Revolving Loan Program Fund. The funds shall be used by the Native American Business Finance Council for the purposes of implementing and administering the Native American Business Revolving Loan Program established in Section 13985 of the Government Code.*

SECTION 1. ~~Section 13985 is added to the Government Code, to read:~~

~~13985. (a) The secretary shall establish the Native American Business Grant and Revolving Loan Program within the Business, Transportation and Housing Agency for the purpose of funding nongaming projects for individuals who are members of an Indian tribe.~~

~~(b) For purposes of this section, the following definitions shall apply:~~

1 ~~(1) “Agency” means the Business, Transportation and Housing~~
2 ~~Agency.~~

3 ~~(2) “Council” means the Native American Business Finance~~
4 ~~Council.~~

5 ~~(3) “Gaming tribe” means a federally recognized tribe located~~
6 ~~in this state for which a ratified compact exists between the state~~
7 ~~and the tribe to authorize the conduct of class III gaming.~~

8 ~~(4) “Nongaming Indian tribe” means a federally recognized and~~
9 ~~revenue sharing tribe located in this state that has not entered into~~
10 ~~a compact with the state to authorize the conduct of class III~~
11 ~~gaming.~~

12 ~~(5) “Program” means the Native American Business Grant and~~
13 ~~Revolving Loan Program.~~

14 ~~(6) “Secretary” means the Secretary of Business, Transportation~~
15 ~~and Housing.~~

16 ~~(e) Projects funded by the program shall provide for the general~~
17 ~~welfare of a nongaming Indian tribe and its members by promoting~~
18 ~~long-term tribal economic development that creates or retains jobs,~~
19 ~~and provides work skills and business development training and~~
20 ~~education for members of the tribe.~~

21 ~~(d) (1) The Native American Business Finance Council consists~~
22 ~~of nine members, who are be appointed by, and serve at the~~
23 ~~pleasure of, the Governor.~~

24 ~~(2) The council shall only consist of members of nongaming~~
25 ~~Indian tribes and gaming tribes.~~

26 ~~(3) A member of the council shall not vote on any application~~
27 ~~from a member of his or her own tribe.~~

28 ~~(4) Five members shall constitute a quorum, and a member~~
29 ~~prohibited from voting under paragraph (3) shall not be included~~
30 ~~in determining whether a quorum exists for a particular application.~~

31 ~~(e) (1) The program shall be managed by a program coordinator~~
32 ~~selected by the secretary.~~

33 ~~(2) The program coordinator shall do all of the following:~~

34 ~~(A) Receive, review, and refer eligible applications to the~~
35 ~~council for approval of funding.~~

36 ~~(B) Serve as a liaison between the agency and the community~~
37 ~~of nongaming Indian tribes.~~

38 ~~(C) Work with the council to determine the eligibility of projects~~
39 ~~for program funds and the allocation of program funds for eligible~~
40 ~~projects.~~

- 1 ~~(f) (1) An applicant for program funds shall be a majority owner~~
2 ~~of the proposed project.~~
3 ~~(2) An applicant shall submit an application to the program~~
4 ~~coordinator that includes all of the following:~~
5 ~~(A) A business plan with a description of the business, including~~
6 ~~its product or service, a management structure, business~~
7 ~~organization, marketing strategy, operations plan, and financial~~
8 ~~projections.~~
9 ~~(B) A repayment schedule, if the applicant is seeking a loan.~~
10 ~~(g) An application receiving an approval vote by a majority of~~
11 ~~the members present to make a quorum shall receive program~~
12 ~~funding.~~